CEA ACTION PROPOSAL

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date: 11/8/2022

2. Department: California Energy Commission

3. Organizational Placement (Division/Branch/Office Name)

Efficiency Division

4. CEA Position Title

Deputy Director of Existing Buildings and Appliances

5. Summary of proposed position description and how it relates to the program's mission or purpose. (*2-3 sentences)*

The California Energy Commission (CEC) requests approval to establish and fill a CEA position as the Deputy Director of Existing Buildings and Appliances within the Efficiency Division. This position will operate under the oversight and general direction of the Efficiency Director, and will provide high-level policy and administrative support on a range of complex energy issues relating to building decarbonization, appliance energy and water efficiency, load flexibility, and related topics. The Deputy Director will support all aspects of division's responsibilities in this area, including leading engagement with internal and external stakeholders, and providing oversight of branch managers, supervisors, and staff in support of technical work products and administrative functions.

6. Reports to: (*Class Title/Level*)

Director of Efficiency Division, CEA Level B

7. Relationship with Department Director (*Select one)*

☑ Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.

☐ Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(*Explain*):

8. Organizational Level *(Select one)*

☐ 1st ☐ 2nd ☐ 3rd ☑ 4th ☐ 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

Under the general direction of the Director of the Efficiency Division, the Deputy Director is responsible for assisting the Director in all aspects of the division's deliverables including principal policy making authority over appliance energy and water efficiency standards developed pursuant to Public Resources Code 25402; load flexibility standards to support load shifting abilities from load serving entities and regulated appliances; existing building efficiency and decarbonization policies and strategies developed through the Integrated Energy Policy Report (IEPR) and related energy policy reports; and other administrative responsibilities supporting the division and its branches. This position will have primary responsibility for CEC's statutory mandate to pursue standards that reduce the wasteful, uneconomic, inefficient, or unnecessary consumption of energy, including the energy associated with the use of water, and to manage energy loads to help maintain electrical grid reliability. Potential policies that would be developed and implemented by this CEA position include policy recommendations such as those included in the 2021 IEPR volume on efficiency and decarbonization; load management standard for the state's largest load-serving entities to facilitate automated price-responsive scheduling and load reduction measures supporting energy system decarbonization and reliability; flexible demand standards for appliances including pool controls and electric water heaters; water conservation standards for indoor and outdoor appliances including landscape irrigation controls, toilets, and dipper wells; overseeing the building energy use benchmarking and disclosure program for large commercial and multifamily buildings required by Assembly Bill 802 (Williams, 2015); and related policies and regulatory strategies. In this capacity, the Deputy Director functions in the place of and as an extension of the Director. The Deputy Director supports all aspects of the division's roles and responsibilities including working with and directing division staff and engaging with internal and external stakeholders. In addition, the Deputy Director has a responsibility to manage and interact with division branch managers, supervisors, and staff regarding the division's analysis, and to provide oversight and management of the division's deliverables, policies, and administrative and budget functions.

This position will be responsible for direct management and oversight of three program branches within the Efficiency Division: the Appliance Efficiency Branch, Existing Buildings Branch, and the new Load Flexibility Branch. This Deputy Director position will have broad authority to inform policy recommendations and reporting related to opportunities to improve operational efficiencies and reduce emissions associated with existing residential and non-residential buildings throughout California including advanced water and energy conservation measures for appliances, strategies to efficiently electrify building end uses and plug loads by encouraging heat pumps and other high-efficiency, low-carbon building technologies, measures to support load flexibility within buildings and appliances, methodologies to account for and track the impact of such measures over time, and working closely with other sister agencies such as the California Public Utilities Commission and California Air Resources Board to align action plans to achieve a carbon neutral California by no later than 2045.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- ☑ Program is directly related to department's primary mission and is critical to achieving the department's goals.
- ☐ Program is indirectly related to department's primary mission.
- ☐ Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description:

The Efficiency Division develops regulations, statewide policy recommendations, and implements programs to help the state meet its clean energy goals, primarily through new measures supporting building and appliance efficiency improvements to generate energy and water savings in both new and existing buildings. The Warren-Alquist Act established the CEC in 1975 along with its core mandates. One of these mandates is for the CEC to adopt, implement, and periodically update energy efficiency standards for appliances that set minimum efficiency levels for energy and water consumption in products, such as consumer electronics, household appliances, and plumbing equipment. The Efficiency Division's mandate has evolved beyond core efficiency and utility cost savings measures in recent years to inform and advance statewide emissions reductions strategies for California's Existing Building sector consistent with statewide decarbonization policies. This also importance of this focus has grown significantly with the increased emphasis on load flexibility and demand-side management as a resource to support increased integration of variable renewable energy resources in the electricity system and managing the impacts of accelerating electrification of transportation and building technologies through efficient end-use technologies and strategies.

Senate Bill 49 (Skinner, 2019) expanded the division's mandate to develop and adopt standards for appliances to facilitate deployment of flexible demand technologies, such as pool controls and electric water heaters. Related Load Management Standards (LMS) for California's largest utilities and community choice aggregators were recently adopted by the CEC to ensure time-dependent rates are made available to customers and third-party service providers, along with programs to encourage customer load flexibility. Similar load flexibility standards are being contemplated in future updates to the California Building Energy Efficiency Standards. As a whole, this suite of load flexibility standards will improve building and energy system operational efficiencies and reduce greenhouse gas emissions by scheduling, shifting, or curtailing operation of appliances and building energy loads in ways that benefit customers and building occupants, support grid operations, and advance California's efforts to decarbonize the state's economy by 2045. Adequately addressing this topic across the suite portfolio of standards and programs overseen by the CEC Efficiency Division will require close ongoing coordination with CPUC and other regulatory agencies to ensure alignment of requirements and leveraging of related authorities and resources towards a common end goal.

The division also oversees the policy reporting efforts related to advancing energy efficiency and emissions reduction in California's existing buildings, including strategies to achieve a doubling of energy efficiency savings in electricity and natural gas end uses by 2030 (Senate Bill 350, De Leon, 2015), advance energy efficiency in existing buildings (Assembly Bill 758, Skinner, 2009), and the pursues strategies proposed by the California Building Decarbonization Assessment (Assembly Bill 3232, Friedman, 2018). Each of these policy reporting requirements have converged to emphasize efficiency and decarbonization strategies that support achieving a carbon neutral California by 2045. The 2021 Integrated Energy Policy Report (IEPR), Volume I, details the state's strategy to reduce emissions associated with new and existing buildings through a combination of efficient electrification and supporting measures.

Additional information provided in email due to character limit.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

In 2022, the California Legislature approved a historic budget that dedicates over $6 billion to clean energy investments, including numerous programs and activities relevant to the building sector, which accounts for roughly 25 percent of statewide greenhouse gas emissions. Over $1 billion in state funding is devoted to direct incentives supporting electrification and decarbonization of existing residential buildings. This funding was proposed as a direct result of policy recommendations that have been made in work products developed by the Efficiency Division staff (see: 2021 Integrated Energy Policy Report (IEPR). The federal government has also recently announced funding programs totaling more than $1 billion for the state of California to support deployment of efficiency and decarbonization measures that will flow through State Energy Offices over the coming years. To deploy these resources to the greatest benefit of Californians will require a detailed knowledge of and coordination with the state's existing efficiency portfolios, utility incentives, and regulatory proceedings, many of which are currently overseen by the California Public Utilities Commission (CPUC).

The CA Legislature and Governor also sent a strong signal in support of clean energy and efficiency by passing and signing AB 1279 (Muratsuchi, 2022), which codifies statewide carbon neutrality goals by 2045. Decarbonizing the state's building sector is a complex problem that requires extensive coordination across regulatory agencies including CPUC, CARB, and various housing agencies, among others and consideration of a variety of energy resources beyond just energy efficiency and electrification. Increasingly, load flexibility is a critical tool for reducing system and building greenhouse gas (GHG) emissions while supporting grid reliability and saving individual consumers money on utility bills. To design load flexibility programs that are effective and achieve envisioned outcomes, division management will increasingly require a detailed knowledge of regulatory processes and existing rules governing the state's utilities and community choice aggregators. This includes detailed knowledge of the rate-making and rate-setting processes, demand response proceedings, and accounting for the potential of additional energy efficiency savings that may be realized through future codes and standards improvements or incentive programs.

The Efficiency Division is expected to be the lead entity in developing and advancing statewide plans to support decarbonization of the building sector and ensure approved funding provides the greatest benefit to California, building off the framework laid out in the 2021 IEPR, and other recent policy reports. This requires detailed knowledge of effective project management, rulemaking development and policy making processes and strategies, the rules and regulatory proceedings underway at partner agencies; and coordination of the various federal, state, and local actions that will ultimately result in achieving these goals. The knowledge, skills, abilities, and experience of this high level CEA position will be critical to advancing these objectives to meet the goals outlined above.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

Specific examples of policy areas over which this CEA position will be the principal policymaker include:

Existing Building Efficiency Improvement and Decarbonization Strategies: California's existing buildings contribute roughly 25 percent of statewide greenhouse gas emissions, and reducing these emissions will be critical to achieving statewide carbon neutrality by 2045. This position will provide leadership to develop and implement statewide strategies for advancing energy and water efficiency in existing buildings that support emissions reductions that balance state, local, and federal goals and priorities, while encouraging a broad range of ratepayer benefits and considering stakeholder perspectives in shaping policies and any resultant actions. A few policy areas this position will be responsible for include many of the proposed policy and regulatory actions identified in the 2021 Integrated Energy Policy Report, Volume 1 – Building Decarbonization. These strategies include improved data coordination and analyses to inform GHG reduction opportunities and realization of additional energy savings in the building sector to track progress towards state goals; local support and technical assistance to encourage deep efficiency and decarbonization at the local planning and implementation layers across the state; advancing load flexibility plans and measures for appliances and existing buildings; and regulatory alignment across state agencies to ensure that proposed actions affecting existing buildings are consistent with statewide environmental, equity, health, and safety objectives. While development and administration of most new funding programs will be overseen by other CEC divisions, the Efficiency Division and this position in particular will have an important role in providing technical assistance and coordination to ensure alignment with broader statewide priorities and considerations as they relate to existing residential and commercial buildings.

Appliance Energy and Water Efficiency Standards: Development of standards that advance energy and water efficiency for end use devices is a foundational aspect of the CEC, as described in the Warren-Alquist Act, Public Resources Code 25402. The CEC first developed Appliance Energy Efficiency Standards in 1977, which detail design and performance requirements for appliances sold or are offered for sale in California. These standards include minimum levels of operating efficiency, and other cost-effective measures, to promote the use of energy- and water-efficiency in California’s buildings. After standards are adopted, the CEC works with stakeholders and manufacturers to provide final appliance efficiency testing requirements, certification instructions, and procedures to comply with the standards are realized. Any energy savings realized through standards results in the need for less power plants and associated infrastructure to serve statewide demand, reducing emissions and saving ratepayers costs on their energy bills. The proliferation of new plug loads and consumer electronics in recent years presents important new considerations for appliance efficiency standards, and the severity of drought facing California underscores the need to move quickly on any cost-effective water efficiency standards and conservation activities. Examples of appliance efficiency standards that will be considered in the coming years include minimum efficiency levels for select types of commercial food service equipment; updated test procedures and efficiency considerations for televisions; and water efficiency standards for landscape irrigation controllers, toilets, and dipper wells.

Load Flexibility Standards and Strategies: Senate Bill 49 (Skinner, 2019) expanded the CEC’s mandate to develop and adopt standards for appliances to facilitate deployment of flexible demand technologies. The Efficiency Division is currently evaluated potential flexible demand appliance standards for a range of appliances including pool controls, electric storage water heaters, thermostats, battery energy storage systems, and electric vehicle supply equipment. Related Load Management Standards (LMS) for California’s largest utilities and community choice aggregators were recently adopted by the CEC to ensure time-dependent rates are made available to customers and third-party service providers, along with programs to encourage customer load flexibility. This CEA position will be critical to ensure alignment of CEC's various load flexibility standards authorities and close coordination with other related policies and incentive programs to achieve statewide carbon neutrality at the least cost and greatest benefit to Californians.

Building Energy Use Benchmarking and Disclosure Program: Assembly Bill 802 (Williams, 2015) authorized the CEC to develop a statewide program for commercial and multifamily buildings larger than 50,000 square feet to report and publicly disclose energy usage. The CEC maintains a website and public dashboard to illustrate resulting energy usage data across the state and allow for comparison to other building types to support awareness and improvements in efficiency over time. Recent efforts are examining how this data reporting and analytical program could be augmented and used to track energy and emissions performance over time to support economy-wide greenhouse gas emission reduction goals for 2030 and beyond.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

This position will provide management direction and leadership for analysis and deliverables requiring a broad policy perspective and a high degree of political sensitivity including advancement of energy, water efficiency, and load flexibility measures to support decarbonization of California's existing buildings. Responsible for formulating, reviewing, and implementing policies, regulations, and procedures related to the areas listed above. Provides support and leadership for division and special projects such as policy reports, and legislation review that involve interoffice and interdivisional coordination and may require a timely response to Commissioners, the Legislature or Governor. This position will have decision-making authority within the technical subject areas overseen by three branches of the Efficiency Division, under the oversight of the division director, and in consultation with statewide policymakers and a broad range of stakeholders.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

This position will both advance current and recent policies that have been put forth by the Legislature and Governor and will be required to identify and develop additional policies and strategies that advance California's environmental, energy, and equity goals as they relate to existing buildings. This role is uniquely positioned to develop and put forth new policies and strategies through various policy reporting requirements related to existing buildings, including principal oversight of energy efficiency related discussions and recommendations through the Integrated Energy Policy Report (IEPR) and California Energy Efficiency Action Plan), both of which are required to be updated every two years to advance state energy policy. This position will further oversee development of new efficiency and load flexibility standards for appliances pursuant to Public Resources Code 25402. This policy authority is unique across the CEC and state government, but will require close coordination with regulatory and incentive administration activities overseen by other CEC division and partner state agencies.